GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:5862
ANSWERED ON:10.04.2017
KVIC Schemes
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the details of the schemes being implemented to improve the quality of Khadi products to ensure their better acceptability and marketing by the Khadi and Village Industries Commission (KVIC); and

(b) the details of the financial assistance provided for modernization thereof and study of various projects?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): To improve the quality of Khadi products and to ensure their better acceptability for marketing, KVIC is implementing schemes like Market Promotion and Development Assistance (MPDA) Scheme, Khadi Reform and Development Programme (KRDP). The details of the Schemes are as follows:

i) Market Promotion Development Assistance (MPDA) − MDA scheme of KVIC has been modified as MPDA scheme formulated as a unified scheme by merging different schemes/ sub-schemes/components of different Heads implemented in the 11th Plan, namely, Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing net worth of Khadi & VI products. Under the erstwhile MDA scheme financial assistance was distributed amongst Producing Institutions (30%), Selling Institutions (45%) and Artisans (25%). Under the Modified MDA (MMDA) financial assistance is distributed amongst Artisans (40%), Producing Institutions (40%) and Selling Institutions (20%).

ii) Strengthening infrastructure of weak Khadi institutions and assistance for marketing infrastructure: This scheme was launched in 2009-10 and provides need-based support towards the Khadi sector for nursing the sick/problematic institutions elevated from "D" to "C" category as well as those whose production, sales and employment have been declining while they have potential to attain normalcy and to support creation of marketing infrastructure in other identified outlets. Under this scheme, financial assistance is provided to existing weak Khadi institutions for strengthening of their infrastructure and for renovation of selected khadi sales outlets.

The Pattern of Assistance for Strengthening of Infrastructure of Existing Weak Khadi Institutions:

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Sl.No. Component Total Cost (Rs. in lakh)
1. Preliminary and Pre-operative Expenditure 0.25
2. Capital Expenditure 3.50
3. Working Fund 6.15
Total 9.90
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The Pattern of Assistance for Marketing Infrastructure:

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Sl.
No. Component Funding Pattern Govt. Grant Inst's Contr. Total
1. Departmental Sales Outlets of KVIC Govt. Grant - 100% 25.00 0.00 25.00
2. Departmental Sales Outlets of KVIBs Govt. Grant - 85%
Inst. Contr. - 15% 21.25 3.75 25.00
3. Institutional Sales outlets (Metro cities) Govt. Grant- 75%
Inst. Contr. - 25% 18.75 6.25 25.00
4. Institutional outlets
(Non-Metro cities) Govt. Grant - 75%
Inst. Contr. - 25% 15.00 5.00 20.00
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iii) Khadi Reform and Development Programme (KRDP): In order to fully realize the significant growth potential of KVI Sector, in terms of employment generation, enhancing the earning of artisans and ensure positioning of Khadi in consonance with the current market

needs, a comprehensive reform programme captioned Khadi Reform and Development Programme (KRDP) was approved by Government of India and is being implemented with the assistance from Asian Development Bank (ADB).

The objectives of KRDP are:

Revitalizing the Khadi and Village industries through strategic/policy level reforms and institutional reforms to achieve the following goals:

i) Sustainability of Khadi
â€¢ Repositioning of Khadi and linking to market needs
â€¢ Selective subsidy
ii) Artisans Welfare
â€¢ Greater involvement
â€¢ Better remuneration and quality of life
â€¢ Thrust on Traditional Village Industries

Direct Reform Assistance (DRA) is given to Khadi Institutions for increasing their productivity and ensuring better quality of products as well as for renovation of their sales outlets for better marketing of Khadi products.

In addition to above, following initiatives have also been taken to enhance the production and sales of Khadi & Village Industries products:

1) To ensure higher wages for artisans, the rate per hank has been increased to Rs.5.50 from Rs.4.00.

2) Simplified approval process of budget target to Khadi institutions has been adopted.

3) Khadi certification process has been simplified and made online to enable new companies to start Khadi ventures from 2.10.2016.

4) KVIC has been catering to the need of bulk buyers such as, Defence, Health & Family Welfare, Paramilitary Forces and other Ministries of Central & State Governments under Rate Contract (RC) agreement with Directorate General of Supplies & Disposals (DGS&D) as well as supply of Non Rate Contract (Non-RC) items like Polyvastra bed sheets and pillow covers to Railways, etc.

5) KVIC has signed a Khadi Mark Registration Agreement with Raymond for promoting Khadi fabrics and ready-mades through Raymond's dealers/showrooms/outlets in India and abroad.

6) Tie ups to increase marketing network with Raymond's and Arvind Mills to market the Khadi Denim across the world.

7) Efforts are being made to make khadi products more appealing and competitive in the market by engaging designers of international fame viz. Ms. Ritu Beri as "Honorary Consultant".

8) Efforts have been made to make Khadi products on-line and as a part of this initiative tie up arrangements with M/s. Paytm has been made and launched through Khadi Gramodyog Bhavan, New Delhi.

9) For sale of Premium Khadi, Khadi Lounges are being opened at Delhi, Mumbai and Jaipur.

10) Organizing Domestic Exhibitions for promoting sales of Khadi and VI products. KVI units are also motivated to participate in international exhibitions for which financial support is extended up to a maximum limit of Rs.1.25 lakh under international co-operation scheme of Ministry.

11) KVIC as a part of its aggressive marketing efforts introduced "Gift Voucher Scheme" for its patrons from Departmental Sales Outlets (DSOs) at Delhi, Kolkata, Mumbai, Goa, Patna, Ernakulam & Bhopal and Visakhapatnam Airport. The 'Gift Voucher Scheme' consists of attractive 'Gift Vouchers' in the denomination of Rs. 500/-, Rs. 1000/- and Rs. 5000/- respectively has been launched.

12) Special Exhibitions at Ahmedabad, Vadodara & Mehsana (Gujarat), Kakinada & Rajamundry (A.P.), Shivsagar & Nazira (Assam), KGB Mumbai, KGB Delhi, Panaji, Dehradun (Uttarakhand) and Jaipur (Rajasthan) where employees will purchase Khadi by coupons given by Oil & Natural Gas Corporation Ltd. (ONGC).

(b): Under the scheme of 'Strengthening infrastructure of weak Khadi institutions and assistance for marketing infrastructure', Rs. 4.99 crore has been disbursed by KVIC to Khadi Institutions (KIs) for modernization of 100 sales outlets of KIs during the current financial year i.e. 2016-17 (upto 28.02.2017). Financial Assistance of Rs. 10.00 lakh has been provided to conduct various Evaluation Studies.